STATE OF NORTH CAROLINA

WAKE COUNTY

BEFORE THE
CIPLINARY HEARING COMMISSION
OF THE
ORTH CAROLINA STATE BAR
15 DHC 54

THE NORTH CAROLINA STATE BAR.

Plaintiff,

Vs.

ANSWER

JOHN BROOKS REITZEL, JR., Attorney,

Defendant.

NOW COMES the defendant, through counsel, answering the Complaint of the plaintiff, alleges and says:

- 1. The allegations contained in paragraph 1 of plaintiff's Complaint are admitted.
- 2. The allegations contained in paragraph 2 of plaintiff's Complaint are admitted.
- 3. The allegations contained in paragraph 3 of plaintiff's Complaint are admitted.
- 4. The allegations contained in paragraph 4 of plaintiff's Complaint are admitted.

RESPONSE TO FIRST CLAIM FOR RELIEF

- 5. The defendant incorporates by reference his answer to paragraphs 1-4 of plaintiff's Complaint as it fully set out herein.
- 6. It is admitted that W.B. and J.B. who were experiencing significant financial problems as a result of losing their jobs, retained defendant to help restructure their finances in August of 2015. Defendant is without sufficient information to form a belief as to whether any of W.B. and J.B.'s properties were in foreclosure at the time he was retained, as such the allegations related to defending foreclosures is denied. Any remaining allegations in paragraph 6 of plaintiff's Complaint are admitted.
- 7. It is admitted that W.B. and J.B. who were experiencing significant financial problems as a result of losing their jobs, retained defendant to help restructure their finances in August of 2015. Defendant is without sufficient information to form a belief as to whether any of W.B. and J.B.'s properties were in foreclosure at the time he was retained, as such the allegations related to defending foreclosures is denied. Any remaining allegations in paragraph 6 of plaintiff's Complaint are admitted.

- 8. At the time that defendant was retained by W.B. and J.B., they were the owners of approximately 18 pieces of real property all of which were located in North Carolina, with the exception of a condominium located at Kiawah, South Carolina. It is further admitted that defendant was retained to help restructure their finances which would have included an analysis of what should be done with each property including the South Carolina condominium. Any allegations remaining in paragraph 8 of plaintiff's Complaint are denied.
- 9. It is admitted that W.B. and J.B.'s South Carolina condominium had a significant mortgage held by Citimortgage, Inc. The defendant however, is without sufficient information with which to form a belief as to the actual value of the condominium and as such, Defendant denies that said property was over-encumbered.
- 10. The allegations contained in paragraph 10 of plaintiff's Complaint are admitted.
- 11. The allegations contained in paragraph 11 of plaintiff's Complaint are admitted upon information and belief.
- 12. The allegations contained in paragraph 12 of plaintiff's Complaint are admitted.
- 13. The allegations contained in paragraph 13 of plaintiff's Complaint are admitted.
- 14. The allegations contained in paragraph 14 of plaintiff's Complaint are admitted.
- 15. The allegations contained in paragraph 15 of plaintiff's Complaint are admitted.
- 16. It is admitted that on October 21, 2011 the Honorable Kristi Lea Harrington of the Charleston County Court of Common Pleas entered an Order on Default against W.B. and J.B. Defendant is however, without sufficient information with which to form a belief as to the remaining allegations in paragraph 16 of plaintiff's Complaint and said allegations are therefore denied.
- 17. The allegations contained in paragraph 17 of plaintiff's Complaint are admitted.
- The allegations contained in paragraph 18 of plaintiff's Complaint are admitted.
- 19. Defendant admits that he sent a letter dated November 8, 2011, the terms of which speak for itself. Defendant further admits that the letter indicated that he "frequently practices law in South Carolina in civil actions" as he was a Bankruptcy Trustee in the 1980's and 1990's and frequently handled Trustee duties which included South Carolina properties; however, at the time of writing said letter, Defendant did not analyze that as a Bankruptcy Trustee he was acting as a party and not an attorney. Any remaining allegations which are inconsistent with the November 8, 2011 letter are denied.
- 20. The allegations contained in paragraph 20 of plaintiff's Complaint are admitted.
- It is admitted that after Citimortgage, Inc. waived their deficiency claim in November of 2014 that the foreclosure was concluded by an Order of Sale and Disbursement in January 2015.

22. It is admitted that an investigation was began by the South Carolina Office of Disciplinary Counsel and after fully cooperating with said investigation an Order was entered on February 11, 2015 as outlined in paragraph 22 of plaintiff's Complaint.

RESPONSE TO SECOND CLAIM FOR RELIEF

- 23. The defendant incorporates by reference the answers to paragraphs 1 through 22 fully set out herein.
- 24. The allegations of paragraph 24 of plaintiff's Complaint are admitted except Defendant denies that S.B.S was a resident of the State of South Carolina.
- 25. It is admitted that in December of 2012, defendant was retained to help S.B.S. with various financial matters resulting from her divorce. It is further admitted that one of the properties she owned at the time was a house in Myrtle Beach, South Carolina. Any remaining allegations in paragraph 25 of the plaintiff's Complaint are denied.
- 26. It is admitted that one of the various matters which defendant was retained to investigate was whether foreclosure proceedings had been begun in South Carolina by Provident Ban/PNC Mortgage. Any remaining allegations in paragraph 26 of plaintiff's Complaint are denied.
- 27. It is admitted that S.B.S. paid defendant for legal services which included issues related to the loan secured by various properties including a piece of property in South Carolina. Any remaining allegations in paragraph 27 of plaintiff's Complaint are denied.
- 28. It is admitted that defendant drafted a pro se Response to the foreclosure for S.B.S. to sign and file with the Horry County Clerk of Superior Court in South Carolina which upon information and belief was filed on February 11, 2013.
- 29. The allegations in paragraph 29 are admitted. It is further admitted that through defendant's efforts, the creditor agreed to waive any deficiency related to the foreclosure proceeding in South Carolina.
- 30. The allegations contained in paragraph 30 of plaintiff's Complaint are admitted.

WHEREFORE, having answered the factual allegations of the Complaint, defendant requests that a hearing be held to determine the appropriate level of discipline, if any, to be imposed for the defendant's inadvertent and unintentional preparation of legal documents in the State of South Carolina. Defendant further requests that the hearing panel dismiss any remaining claims other than the unauthorized practice of law claims as raised in plaintiff's Complaint.

This the 15th day of January, 2016.

CRUMPLER FREEDMAN PARKER & WITT

Attorneys for the Defendant

Dudley A. Wyt 860 West Fifth Street Winston-Salem, NC 27101 Phone: (336) 725-1304 NC State Bar No: 11155

STATE OF NORTH CAROLINA

WAKE COUNTY

BEFORE THE
DISCIPLINARY HEARING COMMISSION
OF THE
NORTH CAROLINA STATE BAR
15 DHC 54

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Plaintiff,

Vs.

CERTIFICATE OF SERVICE

JOHN BROOKS REITZEL, JR., Attorney,

Defendant.

The undersigned hereby certifies that he is an attorney at law licensed to practice in the State of North Carolina, is attorney for the defendant and is a person of such age and discretion as to be competent to serve process.

The on the 15th day of January, 2016, he served a copy of the attached ANSWER by sending a copy via email as well as placing said copy in a postpaid envelope addressed to the person hereinafter named, at the place and address stated below, which is the last known address, and by depositing said envelope and its contents in the United States Mail in Winston-Salem, North Carolina.

ADDRESSEE:

Mr. Barry McNeill

The North Carolina State Bar

PO Box 25908 Raleigh, NC 27611 bmcneill@ncbar.gov

Mr. Josh Walthall

The North Carolina State Bar

PO Box 25908 Raleigh, NC 27611 jwalthall@ncbar.gov

CRUMPLER FREEDMAN PARKER & WITT

Attorneys for the Defendant

860 West Fifth Street

Winston-Salem, NC 27101

NC State Bar No: 11155